JANUARY 1990

COMMERCIAL CARRIER JOURNAL

CCJ

FOR PROFESSIONAL FLEET MANAGERS

ASIA Heavy Duty Distributor Directory

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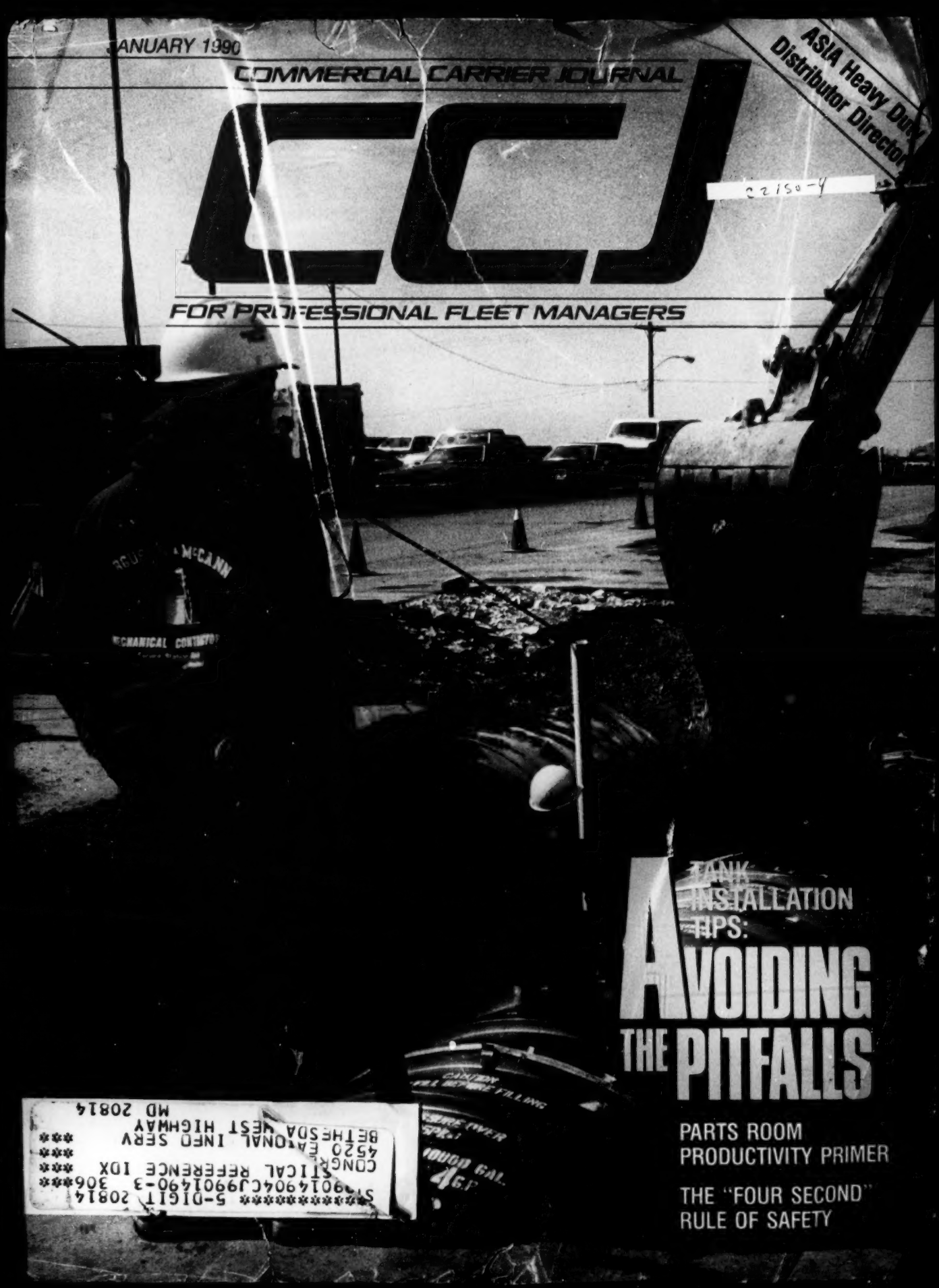

TANK INSTALLATION TIPS: AVOIDING THE PITFALLS

PARTS ROOM PRODUCTIVITY PRIMER

THE "FOUR SECOND" RULE OF SAFETY

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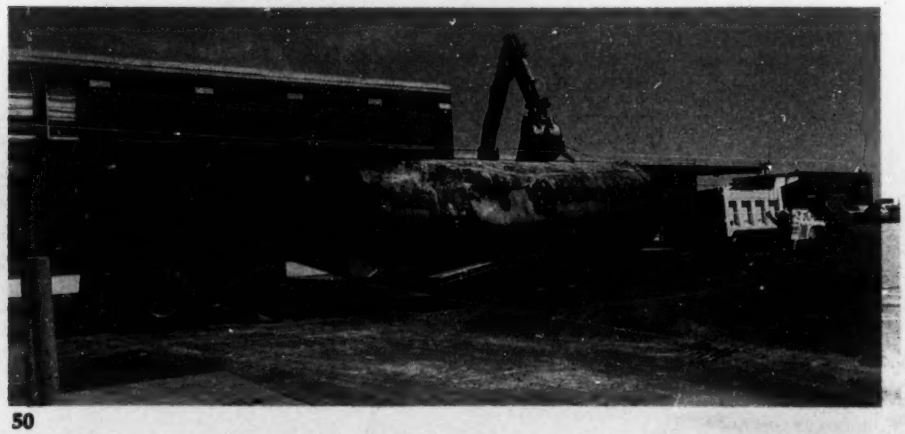

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PLANNING AHEAD

Last year, the editorial staff started work on a major project for the March 1990 edition of CCJ. That effort will provide information so motor carriers can proactively handle environmental issues. Although CCJ has offered numerous award-winning articles that translated environmental regulations into plain English, this editorial package will present previously unpublished information on rules, services and products. The voluminous update will focus on engine emissions, alternate fuels, the impact of CFC restrictions, hazardous shop waste, underground storage tanks, enforcement of regulations, federal, state and local regulatory contacts, and an analysis of local initiatives such as those in the Southern California and Denver areas. □

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Report: Baseline Tractor Trailer Line-haul Costs—1988

The average total line-haul cost per mile in 1988 of a tractor pulling a closed top, dry freight trailer (or trailers) was 107 cents, according to a report by Dennis M. Monts, Statistical Analysis Dept., American Trucking Associations. That figure is a combination of average variable cost and average fixed cost, including overhead.

According to the report, the variable costs for operating tractor-trailers over-the-road amount to 79.26 cents per mile (see Table 1). The largest portion of that cost (48%) is driver compensation. Among non-driver variable costs, the most significant expense is fuel, oil, & lubrications (20%), followed by vehicle maintenance (15%). Monts noted that revenue equipment depreciation, averaging 8.09 cents, represents "book" depreciation, not depreciation associated with the equipments' demonstrated economic life.

"Other Operating Expenses" represent a variety of specific costs, including such items as antifreeze, brake fluid, cleaning supplies, hand tools, state vehicle inspections, etc.

The fixed costs, including overhead, for operating the same rig in 1988 amount to 27.74 cents per mile (see Table 2).

In 1988, line-haul expenses represented only about one-third of all general freight carrier costs, according to the report.

Monts cautioned that "no single figure (in his report) represents an absolute" because the trucking industry is so diverse. "Operating costs for a dry freight van can differ significantly from a tanker, a reefer or an auto rack," he said. And even when vocationally comparable carriers use the same type equipment, costs can vary because of factors such as driver wages, equpment age, maintenance and purchasing practices for fuel, parts, tires and outside services, fleet location and operating territory, climate, length of haul, taxes and license.

"In short, the figures in this analysis are averages and should not be used to represent any individual carrier's over-the-road costs," concluded Monts.

The cost data used in the report are based on annual reports submitted by 31 general freight carriers to the Interstate Commerce Commission for 1988.

Table 1: Tractor-Trailer Line-Haul Variable Costs—1988

	Cost per mile (in cents)
Driver Wages	37.92
Vehicle Repair & Service Wages	6.13
Vehicle Parts	4.09
Total Parts and Repair Wages	10.22
Outside Maintenance	1.87
Total Maintenance	12.09
Tires and Tubes	2.89
Other Operating Expenses	2.58
Fuel, Oil, & Lubrications	9.14
Federal Fuel & Oil Tax	3.64
State Fuel & Oil Tax	2.89
Total	15.68
Revenue Equipment Depreciation	8.09
Total—Variable Costs	79.26

Table 2: Tractor-Trailer Line-Haul Fixed & Overhead Costs—1988

	Cost per mile (in cents)
Salaries—Officers & Supervisors	2.05
Labor—Other than Driver Repair	1.03
Fringes	12.68
General Supplies & Expenses	1.24
Taxes & Licenses—Other than Fuel & Oil	2.70
Insurance	3.70
Communication & Utilities	0.64
Depreciation—Other than Revenue Equip.	0.25
Building & Office Equip. Rents	0.44
Purchased Transportation	3.00
Total Fixed and Overhead Costs	27.74

Food/garbage haulers to get congressional attention

Congress this year will consider a House proposal to bar refrigerated food-hauling trucks from carrying garbage and other solid waste. The proposal also would bar cargo tank trucks that carry edible products from carrying any non-food product, particularly chemicals.

The "Safe Transportation of Food Act" would require cargo tank trucks to be marked as food tanks or non-food tanks. The bill also would direct the Department of Transportation (DOT) to establish cleaning procedures for trucks used to carry food products.

In addition, DOT would be allowed to list some non-food items that could be carried in food trucks. The bill also requires that asbestos and infectious waste be hauled in dedicated vehicles.